

EXHIBIT C

ETHAN ALLEN

ETHAN ALLEN GLOBAL, INC. AND ITS SUBSIDIARIES

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June 20, 2007

Mr. Van DeWald
Peoples Americana, Inc.
192 Lexington Avenue
New York, New York 10016-6832

Dear Van:

Subsequent to my recent visit and as a follow up to our recent conversations concerning your store closing sale, I have reviewed the advertisements that Peoples Americana, Inc. ("Peoples") has been running for its going out of business sale. These advertisements are all materially misleading in at least two respects; (1) They create the false impression that the Ethan Allen company, and/or a store owned by Ethan Allen, is going out of business; (2) Each advertisement also falsely represents that all of the merchandise being sold is Ethan Allen merchandise. As you know Mr. Kathwari called you directly on May 29, 2007 to discuss this very issue. It is my understanding that he told you that he understood your need to sell your inventory but that he was very concerned about your advertising which suggested to consumers that Ethan Allen was going out of business. I also understand that you had agreed to change your advertising to reflect that it was Peoples that was going out of business and closing its store.

The advertisement that appeared in the City section of the June 17, 2007 edition of *The New York Times* illustrates each of these serious problems. The ad's bold heading -- "Ethan Allen Selling Out!"--which appears in large block letters obviously conveys the impression that this advertisement and sale relate to the entire company; use of the phrases "this location only" and "192 Lexington Avenue" do not cure this misimpression, because the body of the advertisement, like the heading, refers only to "Ethan Allen" (not, for example, to "Peoples Americana, an authorized Ethan Allen dealer ...")

This advertisement also creates the entirely erroneous impression that "every item--storewide!" in this "great \$5,000,000 going out of business sale!" is Ethan Allen merchandise, because there is no indication anywhere in the ad that any of the goods being sold come from any sources other than Ethan Allen. In fact after walking around your design center the other day it is apparent that a substantial portion of those goods -- and perhaps the *majority* of the merchandise on display in this sale -- is *not* Ethan Allen merchandise.

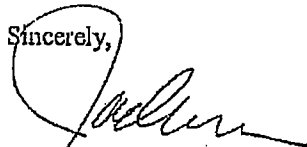
ETHAN ALLEN

These deceptive advertisements are causing serious damage to Ethan Allen's reputation and good will, and violating its rights under federal and state law. You have made the commitment that your advertising and promotional materials for Peoples' store closing sale --- including but not limited to print, radio, point of sale and internet advertising as well as store signage -- would make absolutely clear that this sale is limited to a location operated by your company as an independent dealer. Ethan Allen expects that you will honor that commitment in all of your advertising and customer communications from this point forward. To protect the consumer you must also clarify and disclose in all of your advertising and customer communications that the sale includes a significant amount of non-Ethan Allen merchandise. To avoid any further disputes and potential claims concerning future advertisements, I strongly encourage you to follow the procedures outlined in my April 5, 2007 letter to you, by submitting to Tara Kortze of Ethan Allen's advertising department (fax 203 743 8214 or email tkortze@ethanalleninc.com), at least seventy two hours in advance of the applicable publication or advertising deadline, drafts of all advertising and promotional materials that Peoples proposes to use.

Additionally, Ethan Allen is very concerned about the exterior signage on the building which conveys to consumers that the product sold inside is Ethan Allen, when in fact it is possible that the majority of the product currently being sold is not Ethan Allen.

Ethan Allen has tried hard to work with you, to ensure that Peoples can conduct this going out of business sale in a manner that allows it to further its own economic interests without damaging Ethan Allen's important trademark and other rights in the process. If Peoples does not comply with the reasonable guidelines that Ethan Allen has now repeatedly outlined for use of Ethan Allen's name and trademark, Ethan Allen is prepared to take all steps available to protect its rights.

Sincerely,



Jack DeKorne
Vice President, Retailer Relations

cc: President, Lynch Sales Company
file, chrono, follow up